

May 23, 2005

Santa Monica, California

INFORMATION ITEM

TO: Mayor and City Council

FROM: City Staff

SUBJECT: Budget Proposals Responsive to Mid-Year Council Discussions

Introduction

This report highlights aspects of the proposed budget for fiscal year 2005/06 and budget plan for 2006/07 that respond to issues raised by Council in mid-year discussions.

Background

At mid-year, Council considered community priorities as expressed in public testimony and communications, the results of a telephone survey of residents and the economic context in which the budget for 2005/06 would be prepared. Council Members indicated issues of particular interest, a number of which were held in common.

Economic conditions and local revenues are improving. This is fortunate as the cost of living for the Los Angeles region is rising more rapidly than national rate. For the City fuel costs, utility costs and employee benefit costs are a significant portion of the budget and are increasing at a rate above the CPI. The program and maintenance costs of new community facilities as they are completed must be accommodated.

Staff has proposed a balanced budget that attempts to respond to community and Council interests. Beyond sustaining basic municipal functions and ongoing services, in preparing the proposed budget and budget plan staff sought to:

- meet the operating and maintenance needs of the new Main Library, Virginia Avenue Park and Civic Center Parking structure;
- incrementally enhance funding for infrastructure and landscape maintenance which had been constrained during the past several budget years;
- address the principal community priorities endorsed earlier this year by Council; and
- consider other interests raised at mid-year.

The proposed budget and budget plan are available at the City website and hard copies are located at the City Clerk's office and public libraries. The City Council will adopt the budget for 2005/06 on June 21.

Discussion

In regard to enhancing *funding for infrastructure and landscape maintenance*, new ongoing funds are provided for tree trimming and bluff maintenance and one-time funds are made available for replanting medians and curb extensions. Bayside District lighting and electrical will be upgraded and tree grates will be replaced. Interim façade and signage improvements for downtown parking structures will be accomplished. Funding to commence a proposed centralization of downtown public restroom facilities is identified and new Pier restrooms are fully funded. The long-deteriorated Barnard Way Fence will be replaced and various park infrastructure repairs will be accomplished.

In regard to the *five Community Priorities*:

Addressing the impact of homelessness on the community will be advanced by the addition of a point person for regional initiatives (funding will be included in final budget changes), funding two additional HLP officers and six park rangers, funding an expansion of the chronic homeless pilot and for an evaluation of the

continuum of care and reserving funds to secure/equip a location for a sobering center.

Enhancing the quality of life in the Pico neighborhood will be advanced with the opening of Virginia Avenue Park. One additional trades intern position will be available to train at-risk youth. Two important positions will be stationed at the park, one existing but restructured and one newly funded, will coordinate neighborhood services and develop programs for youth and adults at the park. Within existing staff levels, a police substation will welcome the community to this neighborhood center and two additional ranger positions will be dedicated to the park. An additional graffiti removal technician will concentrate on rapid response in the neighborhood. Capital funds are available for streetscape improvements on Cloverfield and for additional lighting in the neighborhood.

Ensuring timely and responsive service will be advanced by funding further implementation of the Matrix report recommendations, including better public access to information on the website and at the counter, alterations to the permit center to provide customers with more comfortable and efficient service, enhanced permit software capability and use of wireless communications equipment to improve inspection services. Progress will be gauged with implementation of a convenient customer feedback system.

Achieving the goals of the Sustainable City plan will be addressed largely by directing existing resources to new initiatives.

Promoting Active Living will be addressed by reorienting and targeting existing programs to feature and achieve active living benefits.

In regard to *other interests expressed at mid-year*, a cultural arts master plan is funded and additional funding for arts education transportation is provided. Arts and social service grantees will receive a COLA. Funds are reserved to

develop a shared-cost street and sidewalk improvement program with Borderline neighbors, similar to the Yale Street process.

Summary

The proposed budget for FY2005/06 and budget plan for FY2006/07 are balanced. Appropriate use is made of resources anticipated to be ongoing and those anticipated to be short term or one-time in nature. The proposals sustain municipal services, reinvest in infrastructure and maintenance and respond to community and Council interests.

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Attachment: FY 2005/06 and 2006/07 Budget Highlights

BUDGET HIGHLIGHTS FOR FY05-06 and FY06-07

(Funded by General Fund, unless noted)

Initiative	Description	Operating	Capital	Total
Pico Neighborhood				
*Enhancement of quality of life, safety and community involvement	*Improved street and alley lighting in the Pico Neighborhood	-	250,000	250,000
	*Streetscape improvements on 20th Street and Cloverfield Boulevard (Grants)	-	800,000	800,000
	*Additional graffiti removal services (from 2 to 3 positions)	58,808	39,255	98,063
	*Additional Trades Intern (from 8 to 9 positions)	29,828	-	29,828
*Virginia Avenue Park Reopening	*New permanent and as-needed positions (6.3) for reintroduction of programming , including educational support and enrichment; Emeritus College classes and senior nutrition; cultural arts activities, expanded fitness gym and new teen center; outreach and various supplies.	314,057	-	314,057
	*Additional grounds keeping for new park acreage (from 1 to 2 positions) and park maintenance supplies, including replacement plants	93,962	-	93,962
	*Additional custodial services to clean and maintain the new and expanded buildings (from 1 to 2.5 positions) and supplies	168,098	-	168,098
	*Additional staff to better patrol the parks (4 Park Rangers and 1 Supervisor)	325,044	-	325,044
	*Additional cost for full year of operating (FY06-07)	280,000		280,000
				2,359,052
	*Appointment of person to achieve progress in ending chronic homelessness	An amount will be included in the adopted budget		
Addressing the impacts of homelessness	*Chronic Homeless Program Pilot continuation (include HOME funds)	459,114	-	459,114
	*Comprehensive evaluation of Continuum of Care	200,000	-	200,000
	*Four additional staff for enforcement of ordinances (2 HLP Police officers and 2 Park Rangers)	384,473	76,500	460,973
	*Funds for acquiring/equipping sobering center	Funds held in GF reserve		
				1,120,087
PCD Permit center	*Software/hardware improvements for Building Inspector call system	51,000	-	51,000
	*Document imaging for building permits/plans	75,000	-	75,000
	*On-line permitting system upgrade and computer software maintenance	79,600	-	79,600
	*Additional staff training	20,000	-	20,000
	*Related costs for new personnel authorized in FY04/05 (equipment and misc. costs)	20,894	45,600	66,494
	*Permit center physical improvements to complement the new automated queuing system	20,000	-	20,000
				312,094
Neighborhood Street Improvements	*Borderline street improvements - Design and City portion of costs which may follow Yale Street owner assessment model.	Funds are held in reserve, pending project design		
	*Sidewalk installation on Olympic Boulevard between 21st and Cloverfield (being done with Expo Bike Path project) (Grants)		230,000	230,000
				230,000

BUDGET HIGHLIGHTS FOR FY05-06 and FY06-07

(Funded by General Fund, unless noted)

Initiative	Description	Operating	Capital	Total
The Arts	*Cultural Arts Master Plan	83,000	-	83,000
	*Additional funding for arts education transportation program (from \$6,000 to \$12,000) (Grants)	6,000	-	6,000
	*Increase in percent for arts, as a result of greater capital spending budgeted, compared to last year (from \$67,200 to \$262,810) (various funds)	-	195,610	195,610
				284,610
Landscape and tree trimming	*Additional landscape replacement and maintenance	140,000	-	140,000
	*Additional tree trimming	200,000	-	200,000
	*Palisades Bluffs clean up (from quarterly to bimonthly)	10,600	-	10,600
	*Additional cost for living wage for landscape maintenance contracts	110,000	-	110,000
			460,600	
New Main Library operating costs	*Reinstated and new positions (20.5) for programs and expanded services, and opening expenses	709,373	-	709,373
	*Additional facility maintenance (2 positions), custodial supplies and landscaping costs	211,403	-	211,403
	*Additional books and periodicals, increased utility costs, and supplies	462,100	-	462,100
	*Additional computers (150 PCs) and computer technical support	36,272	300,000	336,272
	*New Main Library Parking Structure (net of anticipated revenue)	282,394	-	282,394
	*Additional costs for a full year funding of Library operations (FY 06-07)	1,119,457	-	1,119,457
			3,120,999	
Park Improvements	*Additional Park Rangers (see Virginia Avenue Park)			-
	*Various park improvements above annual maintenance and repair, including drainage repair at Douglas Park, Clover Park sidewalk replacement, Barnard Way Park fence replacement, and Reed Park open space improvements.	-	1,050,300	1,050,300
	*Operating costs for Euclid Park (FY06-07)	19,929	-	19,929
	*Additional park maintenance staff (3.3 positions) and supplies for Airport Park (FY 06-07)	359,984	108,300	468,284
	Lighting at Skate Park and facility improvements at Reed Park. (FY06-07)	-	243,360	243,360
			1,781,873	

BUDGET HIGHLIGHTS FOR FY05-06 and FY06-07

(Funded by General Fund, unless noted)

Initiative	Description	Operating	Capital	Total
Infrastructure Improvements	*Bayside District Improvements, including tree grates, lighting and electrical upgrades	-	396,000	396,000
	*Pier Restroom replacement, storage area creation and commissary	-	1,418,547	1,418,547
	*Broadband Wireless Network - City use then hot spots in commercial areas and parks.	-	650,000	650,000
	*Improvements to downtown parking structures (façade and alley improvements for structures that will not be demolished; painting for all structures). Funding is for fiscal years 05-06 and 06-07. (Parking Authority)	-	3,700,000	3,700,000
	*Downtown Restroom consolidation (Parking Authority)	-	400,000	400,000
	*Civic Center Parking Structure operating costs (FY06-07)	468,625	-	468,625
	*Pier Circulation Improvements (FY06-07)	-	2,000,000	2,000,000
	*Streetscape improvements and bike lane on Arizona Avenue (FY06-07)	-	695,000	695,000
				9,728,172